

Annual Report

1967

Investors GROWTH FUND OF CANADA LTD.

per Scott.



Investors

GROWTH FUND OF CANADA LTD.

Board of Directors

T. O. PETERSON, Chairman of the Board,

Winnipeg, Manitoba.

Chairman of the Board: The Investors Group; Investors Syndicate Limited; Investors International Mutual Fund Ltd.; Investors Mutual of Canada Ltd.; Investors Trust Company; *Director:* Canadian Imperial Bank of Commerce; Western Gypsum Products Ltd.; Beaver Lumber Company Limited; Abitibi Paper Company Ltd.; Anglo American Corporation of Canada Ltd.; The Imperial Life Assurance Company of Canada Limited.

C. E. ATCHISON, President,

Winnipeg, Manitoba.

President: The Investors Group; Investors Syndicate Limited; *President and Director:* Investors Mutual of Canada Ltd.; Investors International Mutual Fund Ltd.; Investors Trust Company.

PETER D. CURRY,

Winnipeg, Manitoba.

President: Peter D. Curry & Co. Ltd.; *Chairman and Director:* Greater Winnipeg Gas Company; *Vice-President and Director:* Investors Trust Company; The United Canadian Shares Limited; The Canadian Indemnity Company; *Director:* The Investors Group; Investors Syndicate Limited; Investors Mutual of Canada Ltd.; Investors International Mutual Fund Ltd.; CAE Industries Ltd.; The Great-West Life Assurance Company; Canadian Imperial Bank of Commerce.

PAUL DESMARAIS

Montreal, Quebec.

President and Director: Provincial Transport Company; Trans-Canada Corporation Fund; Provincial Transport Ltd.; Transportation Management Corp.; Gelco Enterprises Ltd.; La Compagnie de Publication de La Presse, Limitée; Les Journaux Trans-Canada Ltée; *Vice-President and Director:* The Imperial Life Assurance Company of Canada; *Director:* The Investors Group; Investors Syndicate Limited; Investors Mutual of Canada Ltd.; Investors International Mutual Fund Ltd.; Canadian Breweries Limited; Ciments Lafarge Quebec Limitée; Consolidated Paper

Corporation Limited; Hilton of Canada Limited; Montreal Trust Company; Provincial Transport Enterprises Ltd.

COURTLAND ELLIOTT, C.B.E.,

Toronto, Ontario.

Director: Investors Mutual of Canada Ltd.; The Toronto-Dominion Bank; UNAS Investments Ltd.; North American Life Assurance Company; Canadian Surety Co.; *Advisory Board:* The Royal Trust Company.

C. A. GEOFFRION, Q.C.,

Montreal, Quebec.

Vice-President & Director: Corgemines Limitée; *Director:* Investors Mutual of Canada Ltd.; The Royal Trust Company; Abitibi Paper Company Ltd.; Canada Steamship Lines Ltd.; The Great-West Life Assurance Company; Melchers Distillers Limited; Viau Limitée; Merrill Island Mining Corporation, Ltd.

JAMES A. RICHARDSON,

Winnipeg, Manitoba.

Chairman and Chief Executive Officer: James Richardson & Sons, Limited; *Director:* The Investors Group; Investors Syndicate Limited; Investors Mutual of Canada Ltd.; Investors International Mutual Fund Ltd.; Hudson's Bay Company; Canadian Imperial Bank of Commerce; The International Nickel Company of Canada Limited; Hudson's Bay Oil & Gas Company Limited; Canadian Pacific Railway; The Canadian Indemnity Company; United Canadian Shares Limited.

FRANK H. SHERMAN,

Hamilton, Ontario.

President and Chief Executive Officer: Dominion Foundries & Steel Ltd.; *Director:* Dominion Foundries & Steel; National Steel Car Corporation Limited; Arnaud Railway Co.; Wabush Lake Railway Co. Ltd.; Crown Life Insurance Company; Bank of Nova Scotia; National Trust Company Limited; Polymer Corporation Limited; American Iron and Steel Institute; Canada Iron Foundries, Limited; Investors Mutual of Canada Ltd.; Investors International Mutual Fund Ltd.

Annual Report

for the
Year Ended
August 31, 1967

Investors

GROWTH FUND OF CANADA LTD.

HEAD OFFICE: 280 BROADWAY, WINNIPEG, MAN.

EXECUTIVE OFFICERS

T. O. PETERSON

Chairman of the Board

C. E. ATCHISON

President

J. N. W. BUDD

Vice-President

E. G. O. HOWARD

Secretary

R. H. JONES

Treasurer

INVESTMENT MANAGER

THE INVESTORS GROUP

DISTRIBUTOR

INVESTORS SYNDICATE LIMITED

Investment Objectives

The principal objective of Investors Growth Fund is to produce capital appreciation over the long term. The graph on Page 15 illustrates management's effectiveness in achieving this objective.

Investors Growth Fund seeks to achieve this objective by making available in one security, an investment which is diversified — geographically and by industry — with emphasis on common stocks which possess better-than-average growth prospects.

Comparative Highlights

Fiscal year ended August 31	1967	1966
Total Net Assets	\$208,337,000	\$136,608,000
Number of shareholders	61,836	51,776 19.4
Asset value per share	\$10.26	\$8.20
Dividend paid	\$ 4,265,000	\$ 3,498,000
Dividend per share	\$.21	\$.21

Report to the Shareholders

It is a pleasure to present on behalf of the Board of Directors this report on the progress of your Company during the fiscal year ended August 31, 1967.

While details of the Company's financial and investment operations may be found further on in this report, some outstanding growth features should be emphasized at this point. They include:

- Total assets of the Fund increased by 52.5% — to \$208 million.
- The number of shareholders increased by 19.4% — to 61,836.
- The asset value per share was up by 25.1% — to \$10.26.
- Total dividends distributed increased 21.9% — to \$4,265,684.

It is highly encouraging to note that all these figures are record highs for your Fund, indicating the soundness of the management policies pursued on your behalf.



C. E. ATCHISON
President

Investors

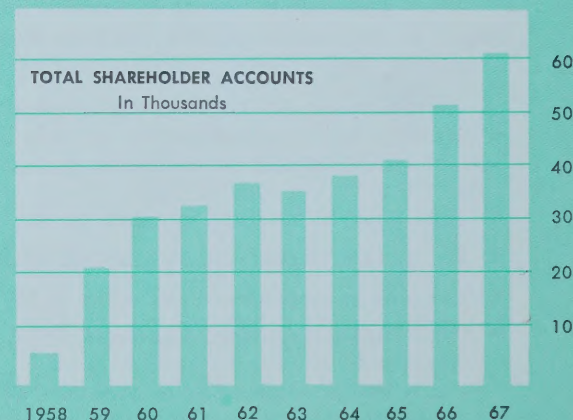
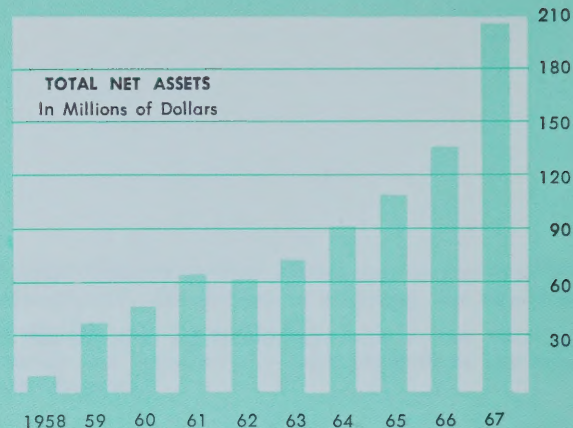
GROWTH FUND OF CANADA LTD.

GROWTH

The total assets of the Fund increased during the year by more than \$71,730,000, to a new high of \$208,337,608. This represents an impressive gain of 52.5 per cent. This growth was due partly to investments by new shareholders and due partly to rising market prices and profits realized from the sale of holdings in the portfolio. Total profit from the sale of investments was more than \$7,440,000.

A significant measure of the acceptability of the Fund to Canadian investors is the fact that the number of shareholders increased during the year from 51,776 to 61,836, a gain of 10,060 shareholders—or 19.4 per cent. Nearly 18,000 of the shareholders are participating in the Fund through the Company's Share Purchase Plan, whereby shares may be purchased on a contractual basis for amounts as low as \$15.00 per month.

The increase in the number of shareholders, and the fact existing shareholders have purchased additional shares throughout the year, underlines the increasing public awareness of the benefits of sharing in Canada's economic growth through the medium of investment in the equity market. Your Fund provides this opportunity in a convenient and reliable manner.



Share Performance

The asset value per share has experienced substantial growth from its level at the close of the previous fiscal year. It increased by 25.1 per cent, from \$8.20 at August 31, 1966 to \$10.26 at the close of the period under review.

Since the close of the fiscal year the shares have continued to increase in value and at time of writing were at \$10.52.

This performance is most gratifying. Although it has occurred during a period of general market recovery, your Fund has experienced a better rate of growth than market indices and also has exceeded that of many individual stocks on the North American markets.

The Fund's 1967 dividend was 21 cents per share, the same as 1966. The dividends totalled \$4,265,684 compared with \$3,498,080 the previous year. Dividends declared by Investors Growth Fund are automatically reinvested in additional shares, thus effectively increasing the rate of return to the shareholder.

The following table illustrates the exact year-by-year performance of a share in Investors Growth Fund since its inception less than ten years ago. This table was carried in

last year's annual report for the first time, in line with your Company's policy of full disclosure. At that time there was a loss shown in "total gain" terms for the year 1966. The excellent growth experience for the year 1967 serves to stress that a mutual fund investment should be looked upon as a long-term program rather than a speculative—and therefore risky—short-term investment.

		Asset Value	Dividend	Dividend Yield	Capital Gain	Total Gain
December 2, 1957		\$5.000	(Commencement of Fund)			
August 31, 1958		5.569	\$.06½	1.30%	11.38%	12.68%
August 31, 1959		6.274	.10½	1.88	12.65	14.53
August 31, 1960		5.696	.14½	2.31 (-)	9.21 (-)	6.90
August 31, 1961		6.970	.15	.15	2.63	24.99
August 31, 1962		6.191	.16	2.29 (-)	11.18 (-)	8.89
August 31, 1963		6.860	.18	2.90	10.80	13.70
August 31, 1964		8.137	.20	2.91	18.61	21.52
August 31, 1965		8.590	.21	2.58	5.56	8.14
August 31, 1966		8.200	.21	2.44 (-)	4.54 (-)	2.10
August 31, 1967		10.262	.21	2.56	25.14	27.70

The cumulative gain including compounded dividend return experienced by the Fund since its inception is equivalent to 9.2 per cent average annual compound growth.

Portfolio Management

Your management considered it prudent to build up a modest cash reserve during the year. By the end of the fiscal year it amounted to about 11 per cent of total assets, compared with about 2 per cent at the same date last year. The Fund is thus in a good position to take advantage of attractive investment opportunities as they develop.

A complete list of the securities held August 31, 1967 will be found on Page 19 and subsequent pages. The portfolio comprises a broadly diversified list of common stocks, with the emphasis on securities which have solid growth values. Canadian common stocks continue to play the dominant role in the portfolio. However, in percentage terms the Canadian holdings are down somewhat from 1966 in favour of a percentage increase in U.S. holdings.

The professional management and continuing supervision of your Fund involved constant shifting of investment emphasis between various industries and companies during the year. The excellent performance of the Fund resulted from concentration of efforts on stocks which were well-researched and which were of good quality and growth potential.

Following this policy, your investment management placed increased emphasis on the oil & gas sector, which

supplanted metal mining & refining as the largest industry holding, in both percentage and dollar terms. Oil & gas represents 13.3 per cent of the portfolio, with a market value of \$27.6 million. Metal mining & refining was in second place, with 12.8 per cent and holdings valued at \$26.7 million. Public utilities, which a year ago was in second place, was moved into third position with 9.6 per cent of assets and \$20.1 million in market value.

TAX ADVANTAGES

Under existing legislation, shareholders residing in Canada who receive dividends from Investors Growth Fund are entitled to an income tax credit of 20% of the amount of dividends received, in accordance with Section 38 of the Income Tax Act. Such credits are deducted from the tax payable.

Dividends received by Canadian corporations from Investors Growth Fund are tax free. Many Canadian corporations enjoy this advantage, by virtue of their substantial holdings of Investors Growth Fund shares.

A further tax benefit is the fact that under existing laws realized capital gains are not taxed.



Fund investments contribute to Canada's industrial growth.

Investment Services

The investment management of your Company's assets is provided by The Investors Group, which has under its administration assets exceeding \$1.4 billion.

The Investors Group also provides a number of other special services to shareholders of Investors Growth Fund, including the unique privilege of transferring shareholdings — without charge — into the shares of Investors Mutual Fund or Investors International Mutual Fund, or into the guaranteed Single Payment and Annuity Certificates of Investors Syndicate Limited.

An area that has proved increasingly popular to shareholders is the use of Investors Growth Fund as an investment medium for Registered Retirement Savings Plans. Under federal legislation up to 20 per cent of a Canadian taxpayer's earned income, with an annual maximum of \$2,500, is exempt from tax when paid into a Registered Retirement Savings Plan by persons who are not members of an employer-sponsored pension plan. A member of an employer-sponsored pension plan may deduct his contributions to both the pension plan and a Registered Retirement Savings Plan, to the extent that the combined contributions do not exceed either 20 per cent of his earned income or \$1,500.

Full details concerning these and other investment and saving services may be obtained from the Company head office or its representatives.

Economic Outlook

The Canadian economy has, in recent months, shown some recovery from the recessionary tendencies in evidence at the year end. Most areas of the nation are enjoying buoyant conditions and a high level of employment.

Offsetting the favourable advances, however, is the fact that inflationary pressures are continuing to mount.

Attendant upon record borrowing by governments, as well as the private sector of the economy, interest rates have reached historical high levels. With the over-all tax burden already very onerous, the need for restraint on the part of all governmental bodies in Canada is obvious.

The Economic Council of Canada, in its recent report, most strongly urged governments to establish and abide by a system of spending priorities. If the report's recommendations were followed a splendid example would be given to the private sector of the economy to exercise wage and price restraint that would also help to slow down the inflationary spiral. The alternative is the risk of inflation reaching uncontrollable proportions which would have damaging domestic effects and make it more difficult for Canadian exports to properly compete in world markets. It is essential for Canadian exports to remain at competitive prices, in view

of the generally lowered tariffs established by the Kennedy Round of tariff negotiations.

While business generally has enjoyed steady growth, productivity has failed to increase at a desirable rate. This has resulted in corporate profits being squeezed significantly.

With Canada's basically favourable long-term outlook founded upon an abundance of natural resources, a growing labor force with improving educational standards and skills, the current problems, although real, are soluble. It is encouraging to note that the nature and scope of current problems are being increasingly recognized and efforts are being directed toward their solution.

At present writing the eventual disposition of the recommendations of the Carter Royal Commission on Taxation is not known. Generally speaking however, we are not in agreement with much of the philosophy contained in these recommendations. Along with other members of our industry we are making our views known to the Minister of Finance. In this way we believe we are acting in the best interests of mutual fund shareholders.



President

We have examined the balance sheet of Investors Growth Fund of Canada Ltd. as at August 31, 1967 and the statements of net income from investments and retained earnings, premium on shares and unrealized appreciation of investments for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying balance sheet and statements of net income from investments and retained earnings, unrealized appreciation of investments, and premium on shares present fairly the financial position of the company as at August 31, 1967 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Peat, Marwick, Mitchell & Co.
Chartered Accountants

Winnipeg, Manitoba,
September 29, 1967.

*Auditors' Report
to the Shareholders*

Investors

GROWTH FUND OF CANADA LTD. (Incorporated under the Canada Corporations Act)

NET ASSETS

Balance Sheet

	As At August 31	
	1967	1966
Assets:		
Investments — at market value:		
Canadian Government bonds	\$ 1,446,250	\$ 2,913,475
United States corporation bonds	376,685	2,013,443
Canadian preferred stocks	1,617,500	1,623,974
United States preferred stocks	1,515,771	316,244
Canadian common stocks	118,164,728	97,022,077
United States and other foreign common stocks	61,655,943	29,828,995
	<u>184,776,877</u>	<u>133,718,208</u>
The average cost of the investments as at August 31, 1967 was \$144,884,976 (1966 — \$124,513,030)		
Other assets:		
Cash on deposit and in transit	3,423,021	1,618,272
Demand Notes	21,541,971	4,343,944
Accrued interest and dividends receivable	813,053	551,800
Due from brokers	3,788,913	746,774
	<u>29,566,958</u>	<u>7,260,790</u>
Total assets	<u>214,343,835</u>	<u>140,978,998</u>
Liabilities:		
Due to brokers	1,469,178	663,115
Dividend payable	4,265,683	3,498,080
Accounts payable and accrued charges	146,848	105,949
Income taxes payable	124,518	104,278
	<u>6,006,227</u>	<u>4,371,422</u>
Total liabilities	<u>6,006,227</u>	<u>4,371,422</u>
Total net assets	<u>\$208,337,608</u>	<u>\$136,607,576</u>

SHAREHOLDERS' EQUITY

As At August 31

Capital stock:

Common shares of a par value of
\$1 per share — authorized and
issued 1,000 shares
Special shares of a par value of
\$1 per share.

	<u>1967</u>	<u>1966</u>
	\$ 1,000	\$ 1,000

	<u>Shares—1967</u>	<u>Shares—1966</u>
Authorized	60,000,000	60,000,000
Redeemed	8,938,305	7,316,590
	<u>51,061,695</u>	<u>52,683,410</u>
Outstanding . . .	<u>20,309,958</u>	<u>16,656,798</u>
	<u>20,310,958</u>	<u>16,657,798</u>

Surplus:

Premium received on shares issued less premiums paid on shares redeemed . . .	129,288,355	99,239,500
Retained earnings	<u>18,846,209</u>	<u>11,505,788</u>
	<u>148,134,564</u>	<u>110,745,288</u>

Unrealized appreciation of investments	<u>39,892,086</u>	<u>9,204,490</u>
Total shareholders' equity	<u>\$208,337,608</u>	<u>\$136,607,576</u>

Notes:

1. United States investments have been converted into Canadian currency at exchange rates prevailing at the balance sheet date.
2. The net asset value per share at August 31, 1967 was \$10.26 (1966 - \$8.20).
3. A statement of source and application of funds has not been presented since it would not be particularly informative in the case of an investment company.

Approved on behalf of the Board

Peterson
Director

Kitchison
Director

Investors

GROWTH FUND OF CANADA LTD.

Statement of Net Income from Investments and Retained Earnings

	Year Ended August 31	
	1967	1966
Income:		
Dividends	\$ 4,164,793	\$ 3,401,038
Interest	828,161	642,663
Proceeds of sale of stock subscription rights	25,399	—
	<u>5,018,353</u>	<u>4,043,701</u>
Expenses:		
Management fees <i>432.5</i>	913,591	689,691
Custodian fees	13,814	11,279
Directors' fees <i>29.8</i>	5,376	4,307
Audit fees	2,750	2,750
Printing, postage and stationery	25,859	20,562
Miscellaneous	2,492	1,201
	<u>963,882</u>	<u>729,790</u>
Income before provision for income taxes	4,054,471	3,313,911
Provision for income taxes	271,043	218,318
Net income (excluding profits and losses realized on sale of investments)	3,783,428	3,095,593 <i>+227</i>
Profit on sale of investments	7,440,285	4,868,210 <i>+53</i>
Transfer from premium on shares to equalize the equity per share in the amount available for dividends in respect of special shares sold and redeemed during the year	382,392	430,805
	<u>11,606,105</u>	<u>8,394,608</u>
Dividends paid	4,265,684	3,498,080
	<u>7,340,421</u>	<u>4,896,528</u>
Retained earnings available for distribution at beginning of year	11,505,788	6,609,260
Retained earnings available for distribution at end of year	<u>\$ 18,846,209</u>	<u>\$ 11,505,788</u>

	Year Ended August 31	
	<u>1967</u>	<u>1966</u>
Balance at beginning of year	\$ 99,239,500	\$ 71,132,867
ADD:		
Premium received on sale of ⁺¹⁶ 5,274,875 (1966—4,535,559) special shares	46,702,319	39,061,488
	<u>145,941,819</u>	<u>110,194,355</u>
DEDUCT:		
Premium paid on redemption of ^{+6 - 6} 1,621,715 (1966—1,010,128) special shares	13,752,682	8,235,384
Commission paid on sales of shares	2,518,390	2,288,666
Transfer to retained earnings to equalize the equity per share in the amount available for dividends in respect of special shares sold and redeemed during the year	382,392	430,805
	<u>16,653,464</u>	<u>10,954,855</u>
Balance at end of year	<u>\$129,288,355</u>	<u>\$ 99,239,500</u>

Statement of Premium on Shares

Balance at beginning of year	\$ 9,204,490	\$ 21,930,231
Unrealized appreciation (depreciation) for the year	30,687,596	(12,725,741)
Balance at end of year	<u>\$ 39,892,086</u>	<u>\$ 9,204,490</u>

Statement of Unrealized Appreciation of Investments

Investors

GROWTH FUND OF CANADA LTD.

Record of a Continuous Investment Program

\$1,000 INITIAL INVESTMENT — \$100 PER MONTH

Investors Growth Fund shareholders may start accounts on a relatively moderate basis and increase their accounts by making regular purchases of additional shares to reach their objectives.

The following illustration is based on an assumed initial investment of \$1,000 on December 2, 1957, and subsequent investment of \$100 per month with dividends re-invested in shares.

Year	Cash Investment	Dividends Reinvested	Shares Credited	Accumulated Shares
1957	\$1,000	\$ —	184.843	184.843
1958	1,200	21.21	210.026	394.869
1959	1,200	53.68	186.175	581.044
1960	1,200	102.94	213.401	794.445
1961	1,200	136.18	185.760	980.205
1962	1,200	174.39	197.948	1,178.153
1963	1,200	231.43	194.114	1,372.267
1964	1,200	293.45	175.477	1,547.744
1965	1,200	342.77	166.186	1,713.930
1966	1,200	376.62	170.277	1,884.207
1967	800	411.73	116.540	2,000.747

VALUATION OF ACCOUNT AT AUGUST 31, 1967

Redemption value		
2,000.747 shares	x \$10.262	20,531.67
Original Investment		\$1,000
Monthly Purchases		11,600
		<u>12,600.00</u>
Total net gain		<u>\$ 7,931.67</u>

Dollar-Cost Averaging the Investomatic Way

Dollar-cost averaging is the name given to purchasing shares on a regular, systematic basis. When market dips occur, this system can be particularly profitable to shareholders. A booklet dealing with the subject is available from the

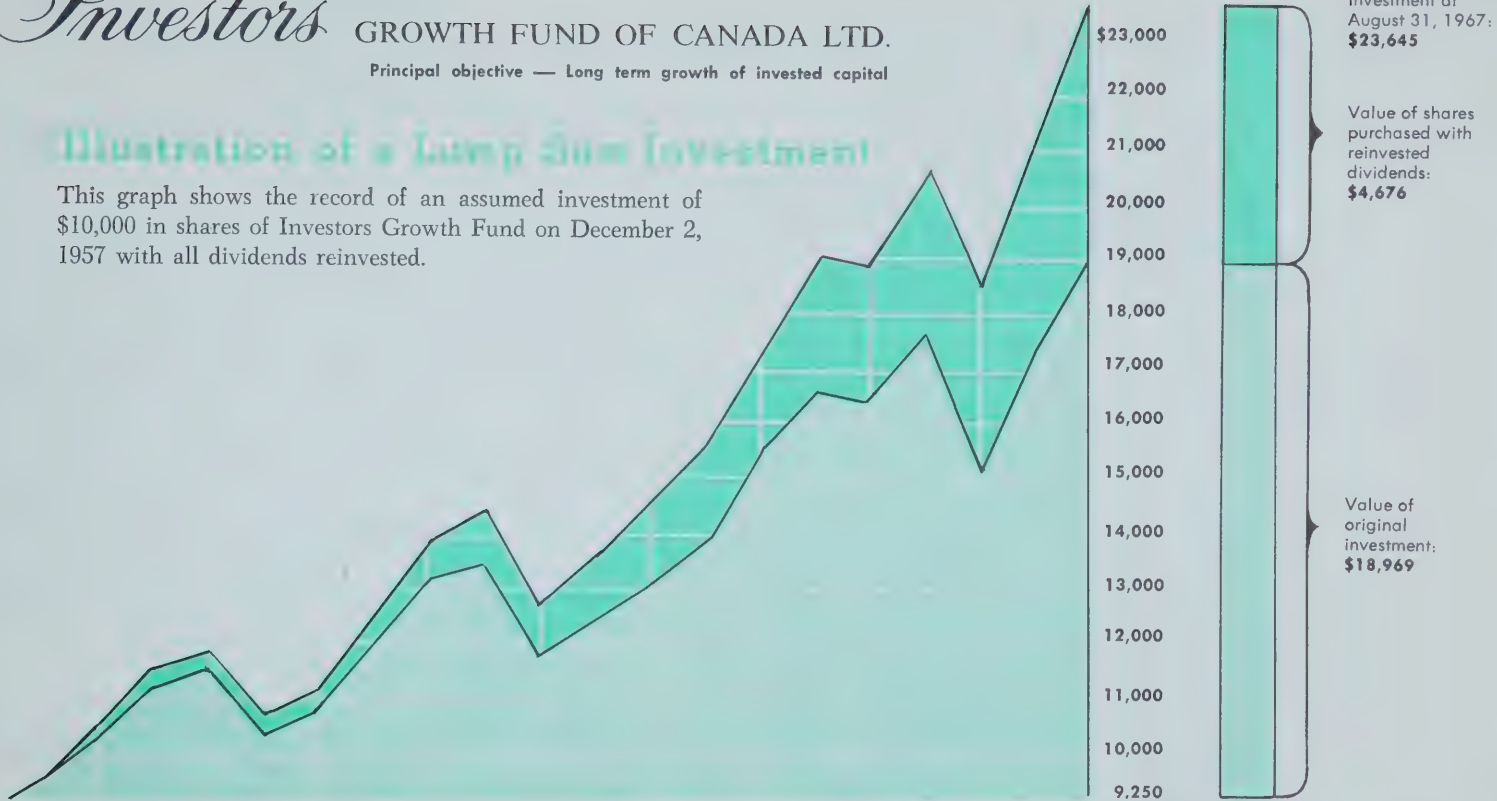
Company. A convenient system of periodic investment, known as Investomatic, has been developed especially to assist those of our clients who wish to dollar-cost average their share purchases.

Investors

GROWTH FUND OF CANADA LTD.
Principal objective — Long term growth of invested capital

Illustration of a Lump Sum Investment

This graph shows the record of an assumed investment of \$10,000 in shares of Investors Growth Fund on December 2, 1957 with all dividends reinvested.



Total value of investment at August 31, 1967: **\$23,645**

Value of shares purchased with reinvested dividends: **\$4,676**

Value of original investment: **\$18,969**

AUG. 31, '58	AUG. 31, '59	AUG. 31, '60	AUG. 31, '61	AUG. 31, '62	AUG. 31, '63	AUG. 31, '64	AUG. 31, '65	AUG. 31, '66	AUG. 31, '67	
\$10,414	11,791	10,797	13,161	11,739	13,013	15,410	16,266	15,157	18,969	Value of original investment
—	136	313	726	914	1,375	2,076	2,645	3,358	4,676	Value of shares purchased with reinvested dividends
10,414	11,927	11,110	13,887	12,653	14,388	17,486	18,911	18,515	23,645	TOTAL VALUE

Investors

GROWTH FUND OF CANADA LTD.

Benefits and Services to Shareholders

Shareholders of Investors Growth Fund have the benefit of many valuable and helpful services provided by The Investors Group. It has been the continuing policy of the Company to place emphasis on the development of such services to meet the needs and convenience of the clients whom it serves. Among the services and privileges extended to you as a shareholder are the following:

FREE RE-INVESTMENT OF DIVIDENDS

Dividends from investment income are automatically reinvested, without a sales charge, to purchase additional shares which are credited to your account. This compounding action provides an additional growth factor.

REDUCED SALES CHARGE

The purchase amounts of all your investments in mutual funds distributed by Investors Syndicate Limited are added together to reduce the sales charges on further purchases. Family purchases (by spouse and children under 21) are included with your own in determining total purchases.

FREE TRANSFER OF INVESTMENTS

If your investment objective changes, you may transfer, without charge, your entire account or part of it to shares of one of the other mutual funds distributed by Investors Syndicate Limited. If you wish to hold, either temporarily or permanently, an investment having guaranteed cash values you may transfer into a guaranteed Single Payment Certificate of Investors Syndicate Limited.

FRACTIONAL SHARES

Shares are issued in full and fractional amounts so that any sum of money may be fully invested, thus avoiding any unapplied balance.

TAX-DEDUCTIBLE RETIREMENT PLANS

The Income Tax Act provides that shareholders of Investors Growth Fund may purchase shares of the Fund and "register" them to qualify for tax deductions under certain conditions. If you would like to build up an annuity fund or supplement your existing pension plan, we will be pleased to supply you with complete information.

SYSTEMATIC SHARE PURCHASE PLANS

Amounts as low as \$15.00 a month may be invested in plans having ten, fifteen or twenty-year maturities. These plans provide a desirable method of accumulating money for specific purposes. Optional low-cost insurance coverage may be purchased with these plans. Our new Investomatic system makes regular purchasing easy.

PROMPT REDEMPTION

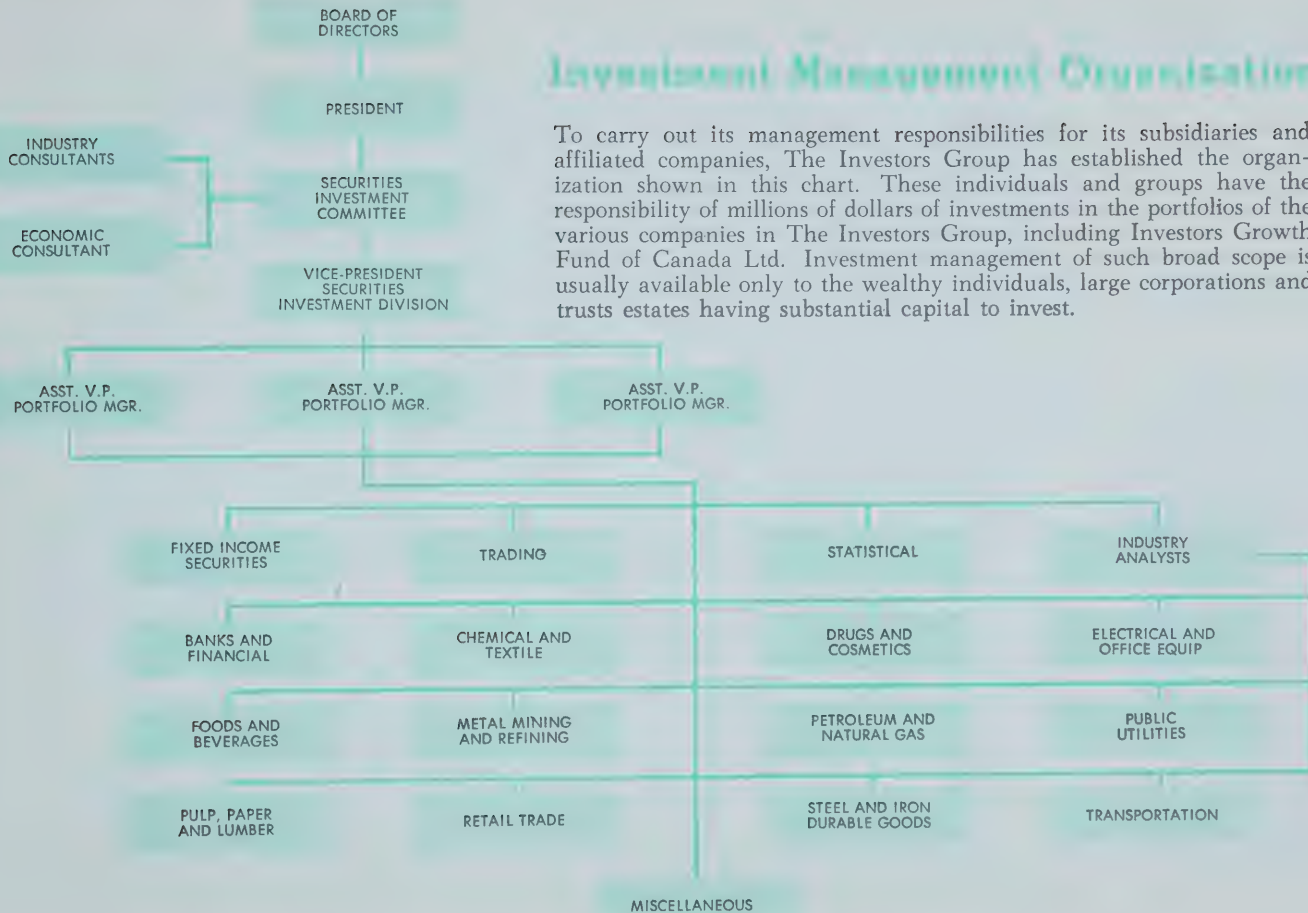
Investors Growth Fund agrees to redeem any or all of your shares at the net asset value per share as of the close of business on the day following receipt of your request at the head office of the Company.

REGULAR REPORTS

You will receive annual, semi-annual and quarterly reports to keep you informed of Fund activities.

Investment Management Organisation

To carry out its management responsibilities for its subsidiaries and affiliated companies, The Investors Group has established the organization shown in this chart. These individuals and groups have the responsibility of millions of dollars of investments in the portfolios of the various companies in The Investors Group, including Investors Growth Fund of Canada Ltd. Investment management of such broad scope is usually available only to the wealthy individuals, large corporations and trusts estates having substantial capital to invest.

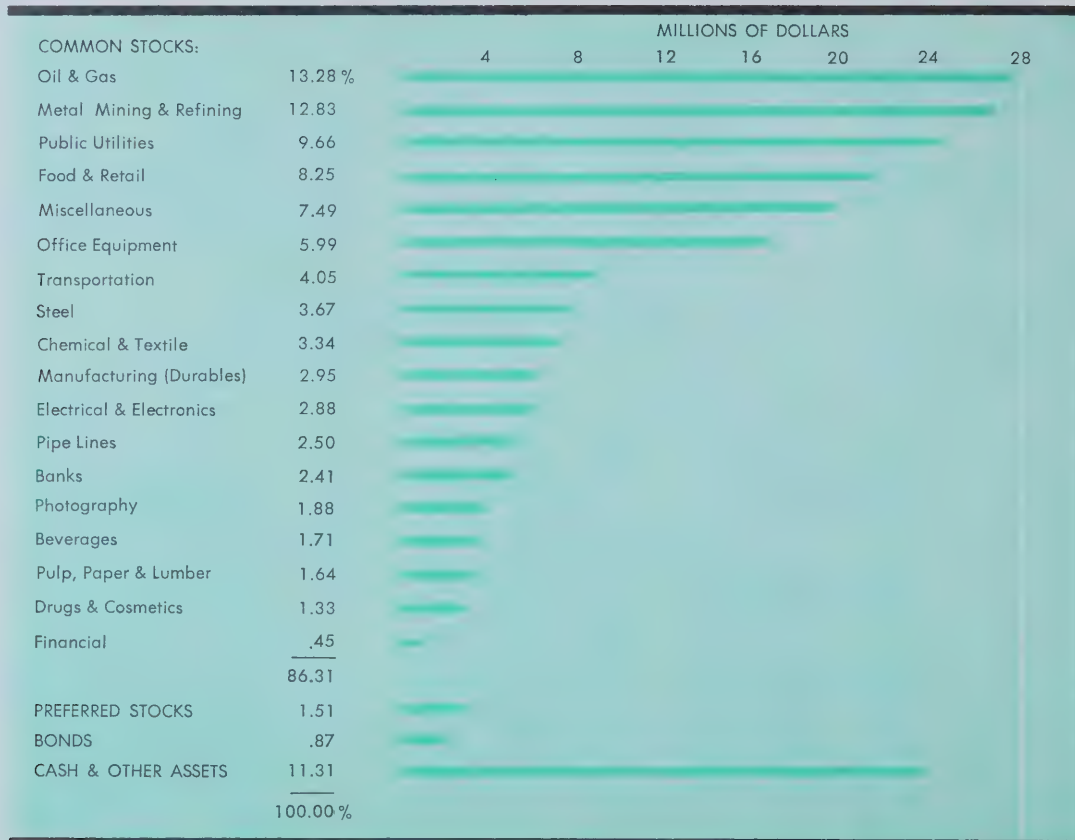


Investors

GROWTH FUND OF CANADA LTD.

Diversification of Assets

AUGUST 31, 1967



Investment in Securities August 31, 1967

Common Stocks (86.31%)

Banks (2.41%)

	No. of Shares	Market Value	Portfolio Distribution Per \$1,000
Banque Canadienne Nationale	54,100	\$ 595,100	\$ 2.86
Canadian Imperial Bank of Commerce	222,275	3,056,281	14.67
The Royal Bank of Canada	85,825	1,373,200	6.59
		5,024,581	24.12

Beverages (1.71%)

Distillers Corporation-Seagrams Limited	62,950	2,423,575	11.63
Hiram Walker-Gooderham & Worts Limited	31,175	1,137,888	5.46
		3,561,463	17.09

Chemical and Textile (3.34%)

Chemcell (1963) Limited	15,800	167,875	.81
Dominion Textile Company Limited	47,475	1,151,269	5.52
Du Pont of Canada Limited	20,875	605,375	2.91
*Ethyl Corporation	28,600	1,361,246	6.53
*Stanley Warner Corporation	67,500	3,675,645	17.64
		6,961,410	33.41

Drugs and Cosmetics (1.33%)

*Chas Pfizer & Co. Inc.	20,000	1,855,460	8.90
*Mead Johnson & Co.	4,800	176,189	.85
*Warner-Lambert Pharmaceutical Company	14,800	730,291	3.51
		2,761,940	13.26



Aluminum Precipitating.

Common Stocks (continued)

Electrical and Electronics (2.88%)

	No. of Shares	Market Value	Portfolio Distribution Per \$1,000
FPE-Pioneer Electric Limited Class "A"	71,910	2,139,323	10.27
*Litton Industries, Inc.	12,953	1,370,622	6.59
*Sperry Rand Corporation	56,200	2,486,007	11.93
		5,995,952	28.79

Financial (0.45%)

*First National City Bank	15,000	945,885	4.54
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Food and Retail (8.25%)

Dominion Stores Limited	49,125	939,516	4.51
*S. S. Kresge Company	18,000	1,343,178	6.45
M. Loeb Limited	140,000	1,802,500	8.65
Oshawa Wholesale Limited Class "A"	72,875	3,261,156	15.65
Simpsons Limited	61,100	1,924,650	9.24
Steinberg's Limited Class "A"	74,000	1,443,000	6.93
*Stokely-Van Camp, Inc.	50,000	2,258,800	10.84
George Weston Limited Class "A"	61,855	1,144,318	5.49
George Weston Limited Class "B"	70,220	1,334,180	6.40
Zeller's Limited	51,800	1,741,775	8.36
		17,193,073	82.52

Manufacturing (Durables) (2.95%)

*A.C.F. Industries Incorporated	19,000	1,021,839	4.90
*Cooper Industries	20,000	1,121,340	5.38
Indal Canada Limited	52,500	288,750	1.39
Massey-Ferguson Limited	136,790	2,735,800	13.13
Versatile Manufacturing Ltd.	25,000	984,375	4.72
		6,152,104	29.52



Manufacturing Metal.

Common Stocks (continued)

Metal Mining and Refining (12.83%)

	No. of Shares	Market Value	Portfolio Distribution Per \$1,000
Alcan Aluminum Limited	122,925	3,518,728	16.88
Anglo American Corporation of Canada Ltd.	205,776	2,057,760	9.88
Denison Mines Limited	32,425	2,302,175	11.05
Falconbridge Nickel Mines, Limited	21,850	1,879,100	9.02
The International Nickel Company of Canada Limited	40,075	4,127,725	19.81
*Kaiser Aluminum & Chemical Corporation	21,800	1,280,881	6.15
Noranda Mines Limited	54,475	3,077,838	14.77
Placer Development Limited	100,000	3,525,000	16.92
*Gulf Resources and Chemical Corp.	75,000	2,783,175	13.36
*U.S. Smelting, Refining and Mining Co.	30,000	2,174,100	10.44

26,726,482 128.28

Miscellaneous (7.49%)

*Gulf and Western Industries, Inc.	34,000	1,956,564	9.39
Investors International Mutual Fund Ltd.	43,225	317,960	1.53
*Lorillard (P) Company	30,000	1,690,080	8.11
Maclean-Hunter Publishing Company Limited	32,000	1,760,000	8.44
Markborough Properties Limited	330,000	1,518,000	7.29
Markborough Properties Limited — warrants	25,000	37,500	.20
*The Rank Organisation Limited "A"	50,000	318,750	1.53
Rothmans of Pall Mall Canada Limited	51,675	1,524,413	7.31
Thomson Newspapers Limited	113,700	4,434,300	21.28
Velcro Industries Limited	30,000	2,055,000	9.86

15,612,567 74.94

Office Equipment (5.99%)

*International Business Machines Corporation	11,082	5,957,063	28.59
Moore Corporation, Limited	167,720	5,534,760	26.57
*Xerox Corporation	3,500	991,053	4.76

12,482,876 59.92



Printing press in operation.

Investors

GROWTH FUND OF CANADA LTD.

Common Stocks (continued)

Oil and Gas (13.28%)

	No. of Shares	Market Value	Portfolio Distribution Per \$1,000
*Atlantic Richfield	23,500	2,508,766	12.04
The British American Oil Company Limited	44,300	1,705,550	8.19
*Continental Oil Company	17,334	1,302,806	6.25
Home Oil Company Limited Class "A"	20,920	439,320	2.11
Home Oil Company Limited Class "B"	7,850	176,625	.85
Husky Oil Canada Ltd.	115,000	2,170,625	10.42
Imperial Oil Limited	74,920	5,094,560	24.45
Jefferson Lakes Petrochemicals	14,190	688,215	3.30
*Occidental Petroleum Corporation	44,400	2,722,208	13.07
Shell Canada Limited Class "A"	150,000	4,387,500	21.06
*Shell Oil Company	12,500	969,738	4.65
*Standard Oil Company (Indiana)	30,000	1,887,720	9.06
Texaco Canada Limited	72,720	2,172,510	10.43
*Union Oil Company of California	22,800	1,437,745	6.90
		27,663,888	132.78

Photography (1.88%)

*Berkey Photo Inc.	65,920	2,933,704	14.08
*Polaroid Corporation	4,400	986,779	4.74
		3,920,483	18.82

Pipe Lines (2.50%)

The Alberta Gas Trunk Lines Company Limited Class "A"	58,975	2,226,306	10.69
The Alberta Gas Trunk Lines Company Limited Class "A" warrants	50,000	415,000	1.99
Interprovincial Pipe Lines Company	48,575	1,056,506	5.07
Westcoast Transmission Company Limited	57,175	1,500,844	7.20
		5,198,656	24.95



Gas Exploration.

Common Stocks (continued)

Public Utilities (9.66%)

	No. of Shares	Market Value	Portfolio Distribution Per \$1,000
*American Telephone and Telegraph Company	7,800	425,786	2.04
British Columbia Telephone Company	18,225	1,175,513	5.65
Calgary Power Ltd.	112,850	2,764,825	13.27
The Consumers' Gas Company	322,895	6,215,729	29.84
*Continental Telephone Corporation	87,000	2,702,133	12.97
*General Telephone & Electronics Corporation	59,200	3,024,646	14.52
Northern & Central Gas Co., Limited	81,600	1,030,200	4.94
Union Gas Company of Canada, Limited	182,840	2,788,310	13.39

Pulp, Paper and Lumber (1.64%)

Abitibi Paper Company Ltd.	145,340	1,380,730	6.65
MacMillan, Bloedel Limited	71,741	2,026,683	9.73
		3,407,413	16.38

Steel (3.67%)

The Algoma Steel Corporation, Limited	61,100	1,443,488	6.92
Dominion Foundries and Steel, Limited	119,630	2,915,981	14.00
The Steel Company of Canada, Limited	142,137	3,286,918	15.78
		7,646,387	36.70

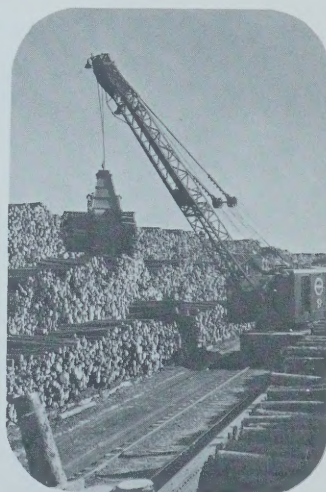
Transportation (4.05%)

*American Airlines, Incorporated	37,800	1,621,280	7.78
Canadian Pacific Railway Company	47,150	3,182,625	15.28
*National Air Lines Incorporated	1,300	110,466	.53
*Northwest Airlines, Incorporated	12,500	1,452,100	6.97
*Seaboard World Airlines, Inc.	57,500	2,071,898	9.94
		8,438,369	40.50

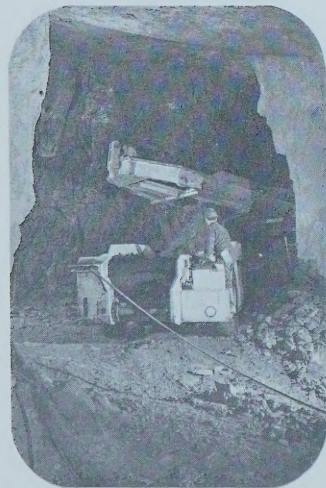
TOTAL COMMON STOCKS

179,820,671

863.13



Stacking Pulp Logs.



Preferred Stocks (1.51%)

	No. of Shares	Market Value	Portfolio Distribution Per \$1,000
Indal Canada Limited "A" Pfd. 6% Cum. \$10.00 P.V. ..	60,000	600,000	2.88
Indal Canada Limited "B" Pfd. 6% Cum. \$10.00 P.V. ..	15,000	150,000	.72
M. Loeb Limited Series "A" 5¼% Cum. Conv. \$50.00 P.V.	15,000	750,000	3.60
Northern and Central Gas Company Limited \$1.06 Cum. Red. Conv. \$25.00 P.V.	5,000	117,500	.56
*Ethyl Corporation Series "A" \$2.40 Conv. \$10.00 P.V.	5,600	382,491	1.84
*Litton Industries, Inc. conv. preference stock participating Series \$2.50 P.V.	10,279	1,133,280	5.45
TOTAL PREFERRED STOCKS		3,133,271	15.05

Bonds (0.87%)

Government of Canada (0.69%)

	Face Amount		
5% due: 6-1-71	\$ 500,000	483,750	2.32
5½% due: 4-1-76	1,000,000	962,500	4.62
		1,446,250	6.94

Other Bonds (0.18%)

*American Airlines, Inc. 4.25% Conv. Deb. due: 7-1-92	276,700	295,765	1.42
*S. S. Kresge Company 4.125% Conv. Sub. Deb. due: 1-15-92	64,300	80,920	.39
		376,685	1.81

TOTAL BONDS

TOTAL INVESTMENTS

CASH AND OTHER ASSETS (Net)

TOTAL NET ASSETS

1,822,935	8.75
184,776,877	886.93
23,560,731	113.07
\$208,337,608	\$1,000

*United States and other foreign investments — valued as follows:

Market value — converted at the selling exchange rate as at August 31, 1967.

THE
Investors
GROUP

Shares of Investors Growth Fund are distributed by Investors Syndicate Limited. The investment manager is The Investors Group which currently has in excess of \$1.4 billion under its administration.

Subsidiaries and affiliates of The Investors Group include:

INVESTORS SYNDICATE LIMITED

Face amount savings certificates — which provide for the guaranteed accumulation of a specific sum of money over a stated period and may be purchased either by a series of payments over a period of years or a single, lump-sum investment.

INVESTORS TRUST COMPANY

A complete trust service, including personal and corporate trusteeships, estate planning, estate and agency administration, guaranteed investment certificates, and a complete pension service, including consultation, trusteeship, administration and investment management.

INVESTORS MUTUAL OF CANADA LTD.

A balanced mutual fund whose objectives stress income, protection of invested capital and long-term capital appreciation.

INVESTORS GROWTH FUND OF CANADA LTD.

A mutual fund emphasizing equity securities and whose principal objective is the long-term growth of invested capital.

INVESTORS INTERNATIONAL MUTUAL FUND LTD.

A mutual fund designed to give the investing public the opportunity to share in the long-term growth potential of the foreign investment scene.

The Investors Group believes that a well-balanced investment program consists of:

A BANK CHEQUING OR SAVINGS ACCOUNT

These are spending dollars rather than long-term savings accounts. The money deposited is generally for current living needs, or for short-term emergencies or opportunities.

ADEQUATE LIFE INSURANCE

For family or business protection in the event of premature death.

**The Four
Cornerstones
for Sound
Personal Money
Management**

GUARANTEED DOLLARS

Provided by Investors Syndicate's guaranteed Instalment or Single Payment Annuity Certificates to assure the success-minded of a specific amount of money in a stated number of years for definite worthwhile purposes.

GROWTH DOLLARS

Money soundly invested in a selected and diversified list of common stocks through any of Investors' three mutual funds. Because their growth reflects the development of the North American economy, the mutual funds provide an excellent hedge against inflation.